

Report To: Education & Lifelong Learning Committee **Date:** 10 May 2011

Report By: Chief Financial Officer & Corporate Director Education & Communities **Report No:** FIN/46/11/AP/IC

Contact Officer: Iain Cameron **Contact No:** 01475 712832

Subject: Education & Lifelong Learning 2010/11 Revenue Budget – Period 11 to 28 February 2011

1.0 PURPOSE

- 1.1 To advise Committee of the 2010/11 Revenue Budget position at Period 11 to 28 February 2011.

2.0 SUMMARY

- 2.1 The Education & Lifelong Learning Committee of 15 March 2011 was informed that the projected out-turn for the 2010/11 Revenue Budget as at Period 10 was an underspend of £207,000. The latest projection as at Period 11 is an underspend of £283,000 (0.4% of the total Education Budget.) This is after the absorption of £353,410 of mid year savings and £87,000 for the 2010/11 Non-Teacher pay award.
- 2.2 The total Education & Lifelong Learning budget for 2010/11 is £72,452,020, of which £3,933,990 relates to the School Estate Management Plan. A further £4,063,000 brought forward as Earmarked Reserves relates to the School Estate Management Plan (£3,994,000) and Outdoor Education Trips (£69,000.)
- 2.3 Since the last Committee the total budget has increased by £19,310. This was due to a further increase in the Contract Cleaning budget following a Council wide re-alignment.

3.0 RECOMMENDATION

- 3.1 The Committee note the current projected underspend of £283,000 for the 2010/11 revenue budget as at Period 11 to 28 February 2011.

Alan Puckrin
Chief Financial Officer

Albert Henderson
Corporate Director Education & Communities

4.0 BACKGROUND

- 4.1 The purpose of this report is to advise Committee of the current position of the 2010/11 Revenue Budget and to highlight the main issues arising.
- 4.2 As previously reported to the November Committee, the Policy & Resources Committee of 17 August 2010 approved a revision to the 2010/11 Revenue Budget and as a result the Education & Lifelong Learning budget was reduced by £353,410. This budget reduction has been fully reflected in the Period 11 Revenue Budget projections.
- 4.3 The impact of the pay increase of 0.65% awarded to Non teacher employees from 1 April 2010 was £87,000 as previously reported to Committee.

5.0 2010/11 PROJECTION

- 5.1 The main issues to highlight in relation to the £283,000 projected underspend for the 2010/11 Revenue Budget are:

(a) Employee Costs:

The latest projection for Employee Costs is an overspend of £59,000. There has been no change to the projection since the March Committee.

(b) Non Domestic Rates:

An underspend of £44,000 relating to back dated empty relief for school buildings closed for refurbishment or demolition was reported to the March Committee. The latest projection remains the same.

(c) Water:

A projected overspend of £12,500 was reported to the March Committee as a result of higher than expected consumption in schools. The latest projection remains the same.

(d) Heating Oil:

A projected overspend of £76,000 was reported to the last Committee. The latest projection is an overspend of £64,000. The reduction is due to the consumption in March 2011 being lower than expected.

(e) Contract Facilities Officers:

An underspend of £109,000 was reported to the last Education Committee. Following further review by Property Services, the latest projection is an underspend of £156,000. It should be noted that this saving has been applied to the 2011/12 budget.

(f) SPT School Buses:

An underspend of £72,000 was reported to the last Committee. The latest projection remains the same.

(g) Early Years Day Carers:

A projected underspend of £23,000 was reported to the last Committee as a result of a drop in the number of clients using the service. The latest projection remains the same.

(h) Early Years Partner Providers:

Following the closure of Ladybird Nursery, children have moved from the privately run sector to Council nurseries. As a result, a projected underspend of £17,000 was reported to the March Committee. The latest projection is an underspend of £19,000.

(i) Outdoor Education Trips:

A budget of £80,000 is used to fund residential trips for every Primary 6 pupil in Inverclyde. For the pupils who started Primary 6 in August 2010 this can be completed for £55,000 due to a lower price per pupil being negotiated. There has been no change since the last Committee.

(j) ASN Accessibility:

An underspend of £50,000 was reported to the March Committee. This budget is part of the School Estate Management Plan and the latest projection remains the same.

(k) Early Years Workforce Development:

As previously reported to the March Committee, there are currently twelve employees enrolled in Early Years and Childcare courses for Financial Year 2010/11. The latest projection is an underspend of £19,000. This budget will contribute to the £200,000 QIO budget reduction saving that has been reflected in the 2011/12 Education Services budget.

(l) Provisions for Breakfast Clubs:

Sixteen Primary schools currently operate some form of Breakfast Club and a budget of £30,000 is allocated to provide food provisions for them. As a result of the pupil uptake not being as great as expected there is a projected underspend of £18,000. There has been no change to the projection since the March Committee.

(m) Staff Development Training:

An underspend of £30,000 was reported to the last Committee and the latest projection remains the same. This budget will contribute to the £200,000 QIO budget reduction saving that has been reflected in the 2011/12 Education Services budget.

(n) Income from Other Local Authorities:

A projected shortfall in income of £22,000 received for places in Special Schools was reported to the last Committee. The latest projection remains the same.

(o) School Meal Income:

An income shortfall of £36,000 for School Meal Income was reported to the March Committee as a result of the reduced uptake rate for School Meals. The latest projection is a shortfall of £37,000.

(p) Early Years Childcare Income:

A projected shortfall of £31,000 was reported to the last Committee due to fewer children using the service. This has improved slightly towards the end of the financial year and the latest projection is now a shortfall of £24,000.

(g) Hospital Tuition:

Glasgow City Council provide teachers for educating children who are patients in Yorkhill Hospital and recharge the Local Authorities where the children normally go to school. Education Services have a budget of £50,000 for funding this Service. The latest projection is an underspend of £10,000 due to a reduction in the number of children using the service.

6.0 CONCLUSIONS

6.1 The Committee is currently reporting a projected underspend of £283,000 for the 2010/11 Revenue Budget.

7.0 VIREMENTS

7.1 There are no virements for this Committee.

8.0 IMPLICATIONS

8.1 The current projected out-turn per Service is:

2009/10 Actual £000	Service	Approved Budget 2010/11 £000	Revised Budget 2010/11 £000	Projected Out-turn 2010/11 £000	Projected over/(under) spend £000
70,785	Education	68,675	68,518	68,285	(233)
1,669	SEMP	7,414	3,934	3,884	(50)
72,454	Total	76,089	72,452	72,169	(283)

See Appendix 2 for additional detail.

9.0 EARMARKED RESERVES

9.1 There is a planned contribution to Earmarked Reserves of £2,190,000 for the School Estate Management Plan at the end of the current Financial Year as detailed in Appendix 3. Spend to date is 50.2% of the projected spend for 2010/11. The majority of expenditure will be incurred at the year end as planned.

See Appendix 3 for additional details.

10.0 EQUALITIES

10.1 There are no Equalities issues.

11.0 CONSULTATIONS

11.1 The report is jointly prepared by the Corporate Director Education & Communities and the Chief Financial Officer.

EDUCATION**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 11 : 1st April 2010 - 28th February 2011**

<u>Out Turn</u> <u>2009/10</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2010/11</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> <u>28-Feb-11</u> <u>£000</u>	<u>Projection</u> <u>2010/11</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Over / (Under)</u>
40,340	Employee Costs - Teacher	39,749	36,090	35,935	39,728	(21)	(0.1%)
14,454	Employee Costs - Non Teacher	13,911	12,238	12,313	13,991	80	0.6%
1,945	Facilities Officers	1,455	1,334	1,146	1,299	(156)	(10.7%)
1,772	Non Domestic Rates	2,147	2,147	2,103	2,103	(44)	(2.0%)
588	Water	364	364	377	377	13	3.6%
457	Heating Oil	514	428	475	578	64	12.5%
11	Outdoor Education	80	80	50	55	(25)	(31.3%)
1,105	SPT Contract	1,319	1,209	1,196	1,247	(72)	(5.5%)
87	ASN Accessibility	94	86	2	44	(50)	(53.2%)
50	Hospital Tuition	50	46	25	40	(10)	(20.0%)
0	Breakfast Club Provisions	30	28	10	12	(18)	(60.0%)
189	Staff Develop Training	172	158	75	142	(30)	(17.4%)
388	Early Years Partner Providers	385	385	366	366	(19)	(4.9%)
31	Early Years Day Carers	43	36	18	20	(23)	(53.5%)
37	Workforce Development	34	31	8	15	(19)	(55.9%)
(245)	Income Other Local Authorities	(294)	(172)	(109)	(272)	22	(7.5%)
(122)	Early Years Childcare Income	(143)	(143)	(119)	(119)	24	(16.8%)
(930)	School Meal Income	(959)	(799)	(770)	(922)	37	(3.9%)
Total Material Variances						(247)	

EDUCATION**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 11 : 1st April 2010 - 28th February 2011**

2009/10 Actual £000	Subjective Heading	Approved Budget 2010/11 £000	Revised Budget 2010/11 £000	Projected Out-turn 2010/11 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
40,477	Employee Costs - Teachers	39,531	39,749	39,728	(21)	(0.1%)
14,803	Employee Costs - Non Teachers	13,147	13,911	13,991	80	0.6%
9,039	Property Costs	7,517	10,467	10,339	(128)	(1.2%)
4,069	Supplies & Services *	3,992	4,078	4,052	(26)	(0.6%)
2,283	Transport Costs	2,191	2,504	2,471	(33)	(1.3%)
611	Administration Costs *	494	560	553	(7)	(1.3%)
5,519	Other Expenditure	12,026	5,337	5,127	(210)	(3.9%)
(4,347)	Income	(2,809)	(4,154)	(4,092)	62	(1.5%)
72,454	TOTAL NET EXPENDITURE	76,089	72,452	72,169	(283)	(0.4%)

2009/10 Actual £000	Objective Heading	Approved Budget 2010/11 £000	Revised Budget 2010/11 £000	Projected Out-turn 2010/11 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
1,679	Central Admin	1,347	859	852	(7)	(0.8%)
5,814	Early Years	5,430	5,792	5,765	(27)	(0.5%)
23,686	Primary Schools	22,948	23,593	23,476	(117)	(0.5%)
29,887	Secondary Schools	27,891	28,699	28,720	21	0.1%
5,414	Special Schools	5,568	5,611	5,631	20	0.4%
1,669	SEMP	7,414	3,934	3,884	(50)	(1.3%)
4,305	Other Education	5,491	3,964	3,841	(123)	(3.1%)
72,454	TOTAL NET EXPENDITURE	76,089	72,452	72,169	(283)	(0.4%)

* includes Schools Delegated Budgets which are required to out-turn on budget.

EARMARKED RESERVES POSITION STATEMENT
COMMITTEE: Education & Lifelong Learning

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>c/f Funding 2009/10</u> £000	<u>New Funding 2010/11</u> £000	<u>Total Funding 2010/11</u> £000	<u>Actual To Period 11 2010/11</u> £000	<u>Projected Spend 2010/11</u> £000	<u>Amount to be Earmarked for 2011/12 & Beyond</u> £000	<u>Lead Officer Update</u>
School Estate M P	Andrew Gerrard	3,994	3,840	7,834	2,797	5,644	2,190	Following initial review of the Funding Model, the anticipated carry forward to 2011/12 has increased from £1,908k to £2,190k due to changes in the timing of some of the one-off expenditure.
Outdoor Education Trips	Albert Henderson	69	0	69	69	69	0	Spending now complete.
Total		4,063	3,840	7,903	2,866	5,713	2,190	